GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:162
ANSWERED ON:18.02.2009
ISSUE OF TAX SAVING BONDS BY NHAI
Deora Shri Milind Murli

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the National Highways Authority of India (NHAI) has issued Tax Saving Bonds;

(b) if so, the details thereof alongwith the nature of these bonds;

(c) whether the concurrence of Ministry of Finance has been taken in this regard;

(d) if so, the details thereof; and

(e) the manner in which these bonds will be different from those bonds issued by various banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS(SHRI K. H. MUNIYAPPA)

(a) Yes,Sir.The year-wise status of 54EC Capital Gains Bonds issued by the National Highways Authority of India (NHAI) is enclosed as Annexure-I.

(b) NHAI issues Capital Gains Tax Exemption Bonds u/s 54 EC of Income Tax Act.Main features of the bonds are as under:-

(i) These bonds are of value of Rs. 10,000/- each, having a lock in period of 3 years.

(ii) A minimum 5 bonds and maximum 500 bonds can be applied for.

(iii) Investment made by a person in these bonds during a financial year shall not exceed fifty lakh rupees.

(iv) These bonds are non-transferable and cannot be offered as security; hence these bonds are not listed at stock exchange.

(v). Interest is paid annually on 31st March every year.

(vi) At present rate of interest is 6.25% p.a. (w.e.f. 01.11.2008)

(c) to (d) The requirement of notifying 54EC Capital Gains Bonds by the Central Government in the Official Gazette has been dispensed with in the Finance Act, 2008.

(e) Presently, only two organizations viz. Rural Electrification Corporation and NHAI are allowed to raise funds through issue of 54 EC Bonds and no bank is authorized to issue them.